



GARY R. HERBERT
Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 5, 2012

Certified Return Receipt
7011 0110 0001 3568 3087

Vern Tharp
Moss Rock Products LLC
5040 Acoma Street
Denver, Colorado 80126

Subject: Division Directive to Resolve Permitting and Reclamation Issues, Moss Rock Products LLC., Moss Rock Mine, S/049/0059, Utah County, Utah

Dear Mr. Tharp:

On August 24, 2011, the Division of Oil, Gas and Mining denied your request for bond release and closure of this file. A site inspection had found that the site conditions did not meet Division requirements for surety release. You were informed of what needed to be done to correct the onsite problems. To date, you have not notified the Division that this work is completed.

The annual permit fee has not been remitted since 2007. Even though the mining operation may not have been active, the annual permit fee must still be paid until reclamation is complete. The total amount due is now \$600. This needs to be remitted by April 16, 2012.

In addition to these issues, the reclamation surety is past due for adjustment. It has not been adjusted for cost changes since it was originally calculated in 2006. Based on the average reclamation costs for a one acre site, the surety amount needs to be increased from \$3,500 to \$7,900. Unless the reclamation is completed as previously directed you need to increase the surety amount by April 16, 2012.

The simplest resolution to these issues would be to complete reclamation as directed in the Division's August 24, 2011, letter and remit \$600 for the annual permit fees. Once the reclamation was completed and verified by the Division, we could close your permit and release the reclamation surety being held. Failure to resolve these issues may result in additional enforcement action being taken, along with associated fines/penalties; withdrawal of the Division's approval to conduct mining operations, and forfeiture of the current reclamation surety. If the surety is forfeited, the Division would have a third party complete the reclamation.



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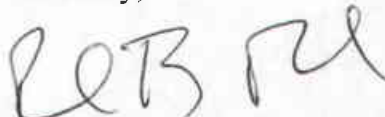
If the surety does not contain sufficient funds to reclaim the site, the Division would pursue collection of any additional amounts in civil court, including attorney fees and other costs.

To resolve the aforementioned issues, you are hereby directed to:

- Remit the past due annual permit fees of \$600.00 (for years 2008, 2009, 2010, and 2012) by April 16, 2012; and
- Complete the reclamation as directed in the Division's August 24, 2011, letter by April 16, 2012, (weather permitting), or
- Increase the reclamation surety for this project by \$4,400, for a total reclamation surety of \$7,900 by April 16, 2012.

Please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310 if you have questions or concerns regarding this letter. Thank you for your help in completing these very important regulatory requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "PBB" followed by a stylized flourish.

Paul B. Baker

Minerals Program Manager

PBB:lk:pb

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